

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

IN RE: : CHAPTER 7  
: :  
HP/SUPERIOR, INC. : CASE NO. 14-71797 - PWB  
: :  
Debtor. : :

**FIRST INTERIM APPLICATION OF HAYS FINANCIAL CONSULTING, LLC FOR  
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES AS  
ACCOUNTANTS FOR THE CHAPTER 7 TRUSTEE**

Hays Financial Consulting, LLC (“**Applicant**” or “**HFC**”), accountants for S. Gregory Hays, Chapter 7 trustee in this Chapter 7 case (“**Trustee**”), submits this application pursuant to 11 U.S.C. §§ 330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Application**”) seeking allowance of interim compensation in the amount of \$93,287.50 and reimbursement of expenses in the amount of \$927.89 for the period from November 4, 2015 through October 31, 2017 (the “**Compensation Period**”) while this case was pending under Chapter 7 of Title 11 of the United States Code.<sup>1</sup> In support of this Application, Applicant shows the Court as follows:

**Background**

1. On November 3, 2014 (the “**Petition Date**”), HP/Superior, Inc. (“**Debtor**”) filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, modified, or supplemented, the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division (“**Bankruptcy Court**”), initiating Chapter 11 Case No. 14-71797-PWB (the “**Bankruptcy Case**”).

---

<sup>1</sup> In this Application, HFC is not seeking approval or payment of those fees that accrued while the Bankruptcy Case was pending under Chapter 11 of Title 11. HFC reserves the right to seek approval and payment of such fees and expenses at the appropriate time.

2. On January 6, 2015 (the “**SHI Petition Date**”), Superior Healthcare Investors, Inc. (“**SHI**”) filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, initiating Case No. 15-50439-PWB in the Bankruptcy Court (the “**SHI Bankruptcy Case**”).

3. On February 3, 2015, the Bankruptcy Court entered an order [Doc. No. 59; Case No. 14-71797-PWB] authorizing the joint administration of the Bankruptcy Case and the SHI Bankruptcy Case for procedural purposes only under Rule 1015(b) of the Federal Rules of Bankruptcy Procedure.

4. On October 27, 2015, the Bankruptcy Court entered an order [Doc. No. 141; Case No. 14-71797-PWB] directing the appointment of Chapter 11 trustees on behalf of Debtor and SHI.

5. On October 30, 2015, the Bankruptcy Court entered an order [Doc. No. 146; Case No. 14-71797-PWB] approving Trustee as Chapter 11 Trustee for Debtor, and on the same day the Bankruptcy Court entered an order [Doc. No. 23; Case No 15-50439-PWB] appointing Cathy L. Scarver (“**Ms. Scarver**”) as Chapter 11 Trustee for SHI.

6. On November 17, 2015, the Court entered an order [Doc. No. 168; Case No. 14-71797-PWB] (the “**Conversion Order**”) converting the Bankruptcy Case and the SHI Bankruptcy Case from cases under Chapter 11 to cases under Chapter 7 of the Bankruptcy Code effective as of November 4, 2015, and severing their joint administration.

7. On November 23, 2015, the United States Trustee appointed Trustee as the Chapter 7 Trustee in the Bankruptcy Case. [Doc. No. 170; Case No. 14-71797-PWB]. Trustee held and concluded the Section 341 meeting of creditors on January 12, 2016, and Trustee is now the permanent Chapter 7 Trustee in the Bankruptcy Case.

8. On November 3, 2015, Trustee filed *Application for Approval of Employment of Hays Financial Consulting, LLC as Accountants for the Trustee* [Doc. No. 151; Case No. 14-

71797-PWB] (the “**Retention Application**”) seeking an order from the Court authorizing him to retain Applicant as his accountants, and, on November 5, 2015, the Court entered its Order [Doc. No. 158; Case No. 14-71797-PWB] approving the retention of Applicant and the employment of Applicant as accountant for Trustee. In the Court’s Conversion Order, entered on November 17, 2015, the Court ordered that Trustee’s retention of Applicant as his accountants would continue in effect following Trustee’s appointment as Chapter 7 Trustee. [Doc. No. 168; Case No. 14-71797-PWB].

### **Narrative Summary of Services Performed**

9. Through the efforts of Trustee, Applicant, and Arnall Golden Gregory LLP, Trustee has recovered over \$2.8M (with the potential for more based on a pending settlement described below) for the benefit of the estate. This recovery arose out of a turnover demand made on the State of Wisconsin and settlement agreements approved by the Bankruptcy Court. Although not obvious on the face of the bankruptcy disclosure forms filed by Debtor or the many other documents filed in this Bankruptcy Case, Trustee and his professionals have been able to establish a substantial estate for the benefit of creditors as a result of a detailed and thorough investigation and analysis of Debtor’s financial affairs.

#### *i. Recovery from the State of Wisconsin*

10. On or about February 25, 2016, the State of Wisconsin turned over to Trustee \$2,851,208.68 from Medicaid reimbursements that the State of Wisconsin had been withholding from Debtor because of asserted unpaid bed tax assessments (the “**Medicaid Funds**”).

11. Trustee and his professionals expended a substantial amount of time and effort researching and understanding the withholding rights asserted by the State of Wisconsin as to the Medicaid Funds and the alleged unpaid bed tax assessments and determining whether the underlying statutes also provided the State of Wisconsin a right of set-off. As a result of these

efforts, Trustee and his professionals created a bankruptcy estate that included over \$2,850,000.00. This is a fantastic result because when Trustee was originally appointed, it did not appear that a recovery of this size or magnitude was either feasible or likely, nor did creditors expect such.

*ii. Settlement with CSE Mortgage, LLC*

12. On July 19, 2016, the Bankruptcy Court entered an order [Doc. No. 209; Case No. 14-71797-PWB] approving a settlement agreement (the “**CSE Settlement Agreement**”) between Trustee, Ms. Scarver, and CSE Mortgage LLC (“CSE”) through which, among other things: (a) it was found and determined that CSE held a first priority security interest in the assets of the Bankruptcy Estate, including the Medicaid Funds, in the amount of \$755,677.20 (the “**CSE First Priority Security Interest**”); (b) Trustee agreed to pay \$559,889.50 to CSE (the “**CSE Payment**”) on account of the CSE First Priority Security Interest; and (c) CSE granted the Bankruptcy Estate a carve-out from the CSE First Priority Security Interest in the amount of \$187,089.03 (the “**CSE Carve-Out**”). Trustee has made the CSE Payment to CSE in the amount of \$559,889.50, and the CSE First Priority Security Interest, less and except the CSE Carve-Out, has been satisfied. Following the CSE Payment, the balance of Trustee’s bank account for the bankruptcy estate, less and except the CSE Carve-Out in the amount of \$187,089.03, was \$2,175,706.02 (the “**HP/Superior Funds**”).

13. Trustee and his professionals expended a substantial amount of time and effort researching and understanding the basis under which CSE asserted a potential secured claim that was purportedly secured up to the full amount of all property of the bankruptcy estate and then negotiating and drafting the CSE Settlement Agreement and drafting and prosecuting the related Rule 9019 motion.

*iii. Settlement with Badger Acquisition of Minnesota, LLC*

14. On November 7, 2016, the Bankruptcy Court entered an order [Doc. No. 232; Case No. 14-71797-PWB] approving a settlement agreement (the “**Omnicare Settlement Agreement**”) between Trustee and Badger Acquisition of Minnesota, LLC d/b/a Omnicare of Minnesota and certain of its affiliates (collectively, “**Omnicare**”)<sup>2</sup> through which, among other things, Omnicare agreed to limit its asserted secured claim (originally filed as secured in an amount in excess of \$6M) to \$615,670.86 with the remaining portion of its secured claim reclassified and allowed as a non-priority, general unsecured, pre-petition claim in the amount of \$6,178,860.70.

15. Trustee and his professionals expended a substantial amount of time and effort researching and understanding the basis under which Omnicare asserted a secured claim that was purportedly secured up to the full amount of all property of the bankruptcy estate. After Trustee and his professionals determined that only a portion of the claim was actually secured and that the remainder was not (because the property of the bankruptcy estate was at all relevant times choses in action and not choses in possession and a large portion of its secured claim arose out of a judgment lien rather than a security interest), they then spent a significant amount of time and effort negotiating and drafting the Omnicare Settlement Agreement and drafting and prosecuting the related Rule 9019 motion.

---

<sup>2</sup> On December 8, 2014, Omnicare filed a proof of claim [Claim No. 4-1; Case No. 14-71797-PWB] in the Bankruptcy Case asserting a secured claim in the amount of \$5,687,440.60 (the “**Omnicare Claim**”). On March 31, 2015, Omnicare filed a second proof of claim [Claim No. 18-1; Case No. 14-71797-PWB] in the Bankruptcy Case asserting a secured claim in the amount of \$6,794,531.56 (the “**Amended Omnicare Claim**”). Although it appears that the Clerk of Court for the Bankruptcy Court inadvertently entered the Amended Omnicare Claim in the claim registry for the Bankruptcy Case with a claim number [Claim No. 18-1; Case No. 14-71797-PWB] that is separate and apart from the claim number of the Omnicare Claim [Claim No. 4-1; Case No. 14-71797-PWB], the Amended Omnicare Claim was meant as, and is, an amendment to the Omnicare Claim.

16. Absent these efforts, there would be little if any funds available from the Medicaid Funds to distribute to other creditors of the bankruptcy estate.

*iv. The Adversary Proceedings*

17. On November 2, 2016, Trustee initiated 12 adversary proceedings (the “**Mittleider and Douston Adversary Proceedings**”) in the Bankruptcy Case by filing complaints against various entities (collectively, the “**Mittleider/Douston Defendants**”), as follows:

Defendant	Adversary Proceeding No.
Altacare Corporation	16-5288-PWB
HP/Wichita Hill, Inc.	16-5289-PWB
LTC Healthcare at Florence, Inc.	16-5290-PWB
HP/Cambridge House, Inc.	16-5291-PWB
HP/Carrington, Inc.	16-5292-PWB
Fireside-LTC, LLC	16-5293-PWB
Five Rivers Management, LLC	16-5294-PWB
Friendship-LTC, LLC	16-5295-PWB
Great Bend-LTC, LLC	16-5296-PWB
Rosewood-LTC, LLC	16-5297-PWB
Woodland Park-LTC, LLC	16-5298-PWB
Long Term Care Services, Inc.	16-5299-PWB

18. In the Mittleider and Douston Adversary Proceedings, Trustee, among other things, sought the avoidance and recovery of various pre and post-petition transfers, or their value, of Debtor’s interest in property to the Mittleider/Douston Defendants.

19. The Mittleider/Douston Defendants contest all claims that Trustee raised against them in the Mittleider and Douston Adversary Proceedings. All claims raised by Trustee in the Mittleider and Douston Adversary Proceedings are hereafter the “**Avoidance Disputes**”.

20. On or about August 31, 2017, the Bankruptcy Court entered orders authorizing Trustee and the Mittleider/Douston Defendants to mediate the Avoidance Disputes through a mediation hosted by the Honorable Mary Grace Diehl (the “**Mediation**”).

21. As a result of the Mediation, and subject to final documentation and approval by the Bankruptcy Court under Rule 9019 of the Federal Rules of Bankruptcy Procedure, Trustee, the Mittleider/Douston Defendants, Mr. Douglas Mittleider, Mr. Daren Douston, and Mr. Kerry Gibson (collectively, the “**Parties**”) have reached an agreement (the “**Proposed Avoidance Disputes Settlement**”) resolving the claims raised by Trustee against the Mittleider/Douston Defendants as to the Avoidance Disputes and all other claims between Trustee, on the one hand, and the Mittleider/Douston Defendants, Mr. Mittleider, Mr. Douston, and Mr. Gibson, on the other hand.

22. The Proposed Avoidance Disputes Settlement, if approved by the Bankruptcy Court, will result in an additional \$350,000.00 coming into the bankruptcy estate.

23. In addition to the Mittleider and Douston Adversary Proceedings, Trustee has initiated 3 other adversary proceedings, which remain pending (Adv. Pro. Nos. 16-5300-PWB; 16-5301-PWB; and 16-5302-PWB).

24. Trustee and his professionals expended a substantial amount of time and effort researching and gathering facts related to the potential Chapter 5 avoidance actions that are the subject of the pending adversary proceedings. They also expended a substantial amount of time and effort preparing for and attending the Mediation at which they resolved (subject to Bankruptcy Court approval) at least 12 of these adversary proceedings.

25. Absent these efforts, a recovery from Chapter 5 avoidance actions would be highly unlikely if not impossible.

### **Particulars of Application and the *Johnson* Factors**

26. Applicant is employed by the Trustee on an hourly basis with all expenses to be reimbursed by the Estate.

27. Attached as Exhibit "A" and incorporate herein by reference are charts summarizing by timekeeper and summarizing by category the activities of the Applicant during the Application Period. Attached as Exhibit "B" and incorporated herein by reference is a detailed accounting of the work of the Applicant during the Compensation Period. The blended hourly rate of Applicant for this Application is approximately \$298.00 per hour

### **REPRESENTATIONS**

28. Applicant makes this Application for the Compensation Period pursuant to §§ 330 and 331 of the Bankruptcy Code and respectfully represents that: a) the services ("Services") detailed in this Application for which compensation is sought were actually performed for or on behalf of the Trustee; b) the time spent was reasonable; c) the hourly rate charged by the Applicant is reasonable when compared to reasonable rates charged by comparably skilled professionals; d) the Services were necessary to the administration of the Estate; e) the Services were beneficial at the time rendered toward the completion of the Bankruptcy Case; f) the Services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue or task addressed; and g) there is no agreement or understanding between Applicant and any other party for the sharing of compensation to be received for services rendered in connection with this matter.

29. Applicant submits that the fees requested in this Application are reasonable under the factors to be considered in evaluating applications for compensation first enunciated in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717-19 (5<sup>th</sup> Cir. 1974), a civil rights case, and made applicable to fee determinations in bankruptcy in *In re First Colonial Corp. of*

*America*, 544 F.2d 1291, 1298-99 (5<sup>th</sup> Cir. 1977). The following summarizes the application of the *Johnson* factors to this Bankruptcy Case:

a. *Time and labor required*: Applicant has expended a total of 312.4 hours in the representation of the Trustee during the Compensation Period. Applicant attempted to work efficiently in all matters. The substance of the time expended is set forth fully in Exhibits A and B to this Application.

b. *Novelty and difficulty*: The work performed by Applicant has involved issues of varying complexity, as set forth in substantial detail in the billing statements attached to this Application.

c. *Skill required to perform the services properly*: The Trustee selected Applicant as its accountants because Applicant's professionals possess substantial expertise and experience in bankruptcy and related fields and are well-qualified to perform professional services.

d. *Preclusion of other employment due to acceptance of the case*: Professionals of Applicant have devoted a substantial amount of time and resources to these cases, to the possible preclusion of involvement in other matters.

e. *Customary fee for similar work in the community*: Applicant believes that the fees requested and the hourly rates set forth herein are consistent fees typically charged for the type of services rendered in cases of this magnitude and complexity. The hourly rates charged by Applicant in this Application are comparable to the rates that HFC would charge to a non-bankruptcy client for work of a similar nature and complexity.

f. *Whether fee is fixed or contingent*: Pursuant to section 330(a) of the Bankruptcy Code, Applicant's fee is subject to Court approval, and is primarily based upon

hourly rates and does not involve any fixed or flat fees. Compensation is “contingent” only in the sense that there are risks of non-allowance or non-payment.

g. *Time limitations imposed by the client or circumstances:* Certain deadlines have been applicable herein pursuant to Court order and various provisions of the Bankruptcy Code and Bankruptcy Rules.

h. *Amount involved and results obtained:* Applicant shows that the Trustee, with the assistance of all professionals involved, has achieved a successful result in this case.

i. *Experience, reputation, and ability:* Applicant has extensive experience in bankruptcy matters. Its reputation and ability are well known to the Court.

j. *Undesirability of the case:* Applicant respectfully represents that this Bankruptcy Case was undesirable given the significant amount of resources and time and effort that had to be committed to this Bankruptcy Case with no certainty of payment or the outcome of this Bankruptcy Case in general.

k. *Nature and length of the professional relationship with the client:* Applicant routinely represents this Trustee and has been engaged to represent this Trustee in other matters.

1. *Awards in similar cases:* Applicant respectfully represents that the amounts sought in the Application are reasonable and within the range of awards in similar cases. Indeed, as aforesaid, the Eleventh Circuit in *Norman* made it clear that compensation should be at current rates and not lower historical rates. Here, Applicant only seeks compensation at historical rates.

30. This Application by Applicant for fees and expenses was prepared and filed in accordance with the “U.S. Trustee Guidelines for Section 330 Compensation” promulgated by the United States Department of Justice, Executive Office for United States Trustee, which sets standards for the review of fee applications all cases file on or after October 22, 1994.

31. A determination of the hours reasonably expended is dependent on the particular

facts of a case. This Application, including the attached exhibits, and further evidence at the fee hearing, if necessary, demonstrate that few hours, if any, were redundant, and little time, if any, was spent on “discrete and unsuccessful claims.” Norman, 836 F. 2d at 1302 (11<sup>th</sup> Cir. 1988).

32. In connection with the provision of services as set forth herein above, Applicant has incurred expenses in the amount of \$927.89. Expenses are summarized on Exhibit “A” and itemized on Exhibit “C” attached hereto and incorporated herein. Applicant seeks allowance of said expenses as reasonable and necessarily incurred.

33. Attached hereto as Exhibit “D” is an Affidavit of S. Gregory Hays confirming the facts set forth in this Application and exhibits thereto.

WHEREFORE, Applicant requests that:

1. Applicant be awarded the sum of \$93,287.50 as interim compensation for professional services rendered by the Applicant as accountants to the Trustee during the Application Period;

2. Applicant be awarded the sum of \$927.89 as reimbursement for necessary expenditures advanced during the Application Period by the Applicant as accountants for the Trustee;

3. The Chapter 7 Trustee be authorized to pay the allowed compensation and expense to the Applicant from general funds of the Estate not subject to previous orders of this Court; and

4. The Bankruptcy Court grants Applicant such other and further relief as the Bankruptcy Court deems just and proper.

This 10th day of November, 2017.

/s  
S. GREGORY HAYS

Hays Financial Consulting, LLC  
2964 Peachtree Rd, NW Ste. 555  
Atlanta, Georgia 30305  
(404) 926-0060

**Exhibit “A” Follows**

---

**HP/Superior, Inc.****Case # 14-71797-pwb****For the Period from 11/4/2015 to 10/31/2017**

November 10, 2017

**Professional Services**

	<b>Hours</b>	<b>Amount</b>
Accounting	38.50	11,550.00
Asset Analysis & Recovery - Accounts Receivable	28.10	8,430.00
Employee Benefits / Pensions	7.40	2,220.00
Financing	17.50	5,250.00
Litigation Consulting	114.30	33,977.50
Meeting of Creditors	5.10	1,410.00
Tax Issues	101.50	30,450.00
<b>For professional services rendered</b>	<b>312.40</b>	<b>\$93,287.50</b>

**Additional Charges :**

Copying Cost	161.25
Document Storage	195.00
Expense Reports	45.43
Federal Express	31.34
Pacer Charges	14.00
Postage	50.87
Registration and Other Fees	350.00
Tax Return Filing Fees	10.00
Tax Return Preparation	70.00
<b>Total costs</b>	<b>\$927.89</b>

---

**Total amount of this bill** **\$94,215.39**

---

---

---

HP/Superior, Inc.  
Case # 14-71797-pwb

For the Period from 11/4/2015 to 10/31/2017

November 10, 2017

Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
Dwaine A. Butler	2.50 175.00/hr	437.50 27,720.00
James R. Jennings, CPA	92.40 300.00/hr	27,720.00 65,130.00
Scott S. Askue	217.50 299.45/hr	65,130.00 _____
<b>For professional services rendered</b>	<b>312.40</b>	<b>\$93,287.50</b>

Additional Charges :

Copying Cost	161.25
Document Storage	195.00
Expense Reports	45.43
Federal Express	31.34
Pacer Charges	14.00
Postage	50.87
Registration and Other Fees	350.00
Tax Return Filing Fees	10.00
Tax Return Preparation	70.00
<b>Total costs</b>	<b>\$927.89</b>

---

<b>Total amount of this bill</b>	<b>\$94,215.39</b>
----------------------------------	--------------------

---

**Exhibit “B” Follows**

---

**HP/Superior, Inc.**  
Case # 14-71797-pwb

**For the Period from 11/4/2015 to 10/31/2017**

November 10, 2017

Professional Services

			<u>Hrs/Rate</u>	<u>Amount</u>
<b><u>Accounting</u></b>				
11/4/2015	SSA	Reviewed schedules and prepared analysis of scheduled payments to creditors. Researched entities for relationship to Debtor.	1.60 300.00/hr	480.00
	SSA	Reviewed pleadings and prepared analysis of funds in escrow account and division of same. Drafted email to Ashley Ray regarding sale closing statement and escrow accounting.	2.10 300.00/hr	630.00
	SSA	Prepared for and telephone conference with Ashley Ray and Mike Bargar regarding accounts receivable from Wisconsin, transfer of funds and other matters.	1.50 300.00/hr	450.00
	SSA	Reviewed operating reports and prepared notes and analysis of same.	1.40 300.00/hr	420.00
11/5/2015	SSA	Reviewed and responded to email regarding escrow account funding.	0.30 300.00/hr	90.00
	SSA	Reviewed debtor schedules and operating report for contact information and bank account details for freezing of the Debtor's bank accounts. Prepared report of same and instructions for treatment.	1.50 300.00/hr	450.00
11/16/2015	SSA	Reviewed 14 boxes of accounting records. Reviewed payments within 90 days and year of bankruptcy petition. Reviewed client billings. Reviewed unpaid and paid post petition invoices, deposits and uses of funds.	2.80 300.00/hr	840.00
	SSA	Telephone call from Mike Bargar regarding Chapter 11 claims and division of funds held in escrow.	0.30 300.00/hr	90.00
	SSA	Set up access to online banking information.	0.30 300.00/hr	90.00
	SSA	Reviewed application to pay Chapter 11 expenses. Reconciled to Debtor's records.	0.50 300.00/hr	150.00
11/17/2015	SSA	Exported statements and formatted post petition bank transactions. Prepared reports of transactions by vendor.	2.70 300.00/hr	810.00
12/4/2015	SSA	Reviewed documents produced by affiliated entities for relationship and transfers between same. Telephone call from Mike Bargar regarding allocation of escrowed funds between estates.	1.00 300.00/hr	300.00
12/8/2015	SSA	Reconciled administrative claim filed by AnnLeo to Debtor's records.	0.80 300.00/hr	240.00
	SSA	Telephone call from Mike Bargar regarding inter-debtor claims and escrow distribution.	0.30 300.00/hr	90.00
12/9/2015	SSA	Reviewed motion and supporting documents relating to the Chapter 11 claim of AnnLeo. Drafted email to Doug Mittleider regarding same.	0.70 300.00/hr	210.00
12/15/2015	SSA	Reviewed emails from Doug Mittleider regarding vendor transfer and litigation.	0.30 300.00/hr	90.00

HP/Superior, Inc.		Page	2	
		<u>Hrs/Rate</u>	<u>Amount</u>	
12/16/2015	SSA	Reviewed email from Doug Mittleider regarding preparation of final cost report. Drafted email to the Trustee regarding same.	0.30 300.00/hr	90.00
1/8/2016	SSA	Reviewed for and gathered banking transactions for preparation of operating reports.	0.60 300.00/hr	180.00
1/11/2016	SSA	Telephone call to John Rowinski with BMO Harris Bank regarding online access to bank information. Reviewed bank records from National Bank of Commerce.	0.50 300.00/hr	150.00
1/21/2016	SSA	Reviewed status of various issues including additional billings, Medicare reporting, 1099s, W-2s and drafted email to Doug Mittleider regarding same.	0.80 300.00/hr	240.00
	SSA	Telephone call to BMO bank headquarters and local branch regarding obtaining bank records.	0.80 300.00/hr	240.00
1/26/2016	SSA	Drafted email to John Rowinski with BMO Harris regarding online access to bank accounts.	0.20 300.00/hr	60.00
1/27/2016	SSA	Reviewed and responded to email from Doug Mittleider regarding Medicare and Medicaid reporting, W2s, 1099s and other matters.	0.30 300.00/hr	90.00
2/1/2016	SSA	Reviewed medicare cost reports and discussed same with Jim Jennings.	0.40 300.00/hr	120.00
2/10/2016	SSA	Drafted email to John Rowinski of BMO Harris Bank regarding bank statement production.	0.20 300.00/hr	60.00
2/16/2016	SSA	Reviewed and edited objection to CSE motion to pay administrative claims. Reviewed administrative and secured claims filed to date. Telephone call from Mike Bargar regarding same.	0.30 300.00/hr	90.00
	SSA	Drafted emails to John Rowinski and Oscar Mazariego of BMO Harris Bank regarding access to online account information.	0.30 300.00/hr	90.00
2/18/2016	SSA	Telephone call from Jess Ferris of BMO Harris Bank regarding online access to historical bank records. Telephone call to Jen Rose regarding same.	0.40 300.00/hr	120.00
2/19/2016	SSA	Reviewed status of bank records. Drafted letter to National Bank of Commerce regarding closing accounts.	0.40 300.00/hr	120.00
2/24/2016	SSA	Telephone call to Jen Rose regarding access to BMO Harris bank accounts. Telephone call to Doug Mittleider regarding same.	0.40 300.00/hr	120.00
2/25/2016	SSA	Researched for contact information and drafted email to Gail Nicholson regarding access to BMO Harris Bank account.	0.30 300.00/hr	90.00
2/29/2016	SSA	Drafted emails to and reviewed emails from Doug Mittleider and Gail Nicholson regarding access to BMO Harris Bank account.	0.50 300.00/hr	150.00
3/1/2016	SSA	Reviewed and responded to emails from Gail Nicholson regarding online access to BMO Harris bank accounts.	0.20 300.00/hr	60.00
3/3/2016	SSA	Traced payout of receivership funds from WPS Health Solutions through Debtor.	0.30 300.00/hr	90.00
3/15/2016	SSA	Drafted email to Doug Mittleider regarding status of access to the BMO Harris bank accounts.	0.20 300.00/hr	60.00
3/17/2016	SSA	Reviewed funds received from sale of business. Reviewed escrow allocation. Telephone call from Mike Bargar regarding same. Telephone conference with Mike Bargar and Cathy Scarver regarding same.	1.40 300.00/hr	420.00
3/24/2016	SSA	Reviewed sale agreement and escrow documents and prepared analysis of funds remaining from the sale of the property. Telephone call from Mike Bargar regarding same.	0.90 300.00/hr	270.00

HP/Superior, Inc.		Page	3	
		<u>Hrs/Rate</u>	<u>Amount</u>	
3/30/2016	SSA	Drafted email to BMO Harris Bank regarding 2015 bank records. Downloaded and formatted produced statements. Drafted email to Doug Mittleider regarding same.	0.80 300.00/hr	240.00
4/1/2016	SSA	Conference call with Mike Bargar and the Trustee regarding allocation of escrow funds, administrative claims, receipts to date, asserted liens and process for handling same.	1.30 300.00/hr	390.00
4/13/2016	SSA	Telephone call from Mike Bargar regarding resolution of escrowed funds, receipt of funds from Wisconsin and treatment of same and distribution scenarios.	0.70 300.00/hr	210.00
4/18/2016	SSA	Prepared bank statements for year 2016.	0.30 300.00/hr	90.00
4/28/2016	SSA	Reviewed filed administrative claim and analysis for allowance.	1.00 300.00/hr	300.00
4/29/2016	SSA	Reviewed debtor's records and reconciled to Chapter 11 claim.	1.30 300.00/hr	390.00
5/23/2016	SSA	Reviewed debtors records for information relating to administrative claim of Merwin LTC Pharmacy. Reconciled records to administrative and unsecured proofs of claim.	1.80 300.00/hr	540.00
7/5/2016	SSA	Reviewed order and verified amount of administrative expense claim of Royalton Manor. Drafted email to Mike Bargar regarding issues with same.	0.40 300.00/hr	120.00
7/8/2016	SSA	Telephone call from Mike Bargar regarding operating reports of the debtor. Drafted email to same.	0.30 300.00/hr	90.00
	SSA	Reviewed administrative claim filed by Merwin Pharmacy. Reviewed debtor records relating to same. Drafted summary of same.	1.30 300.00/hr	390.00
10/6/2016	SSA	Drafted email to Doug Mittleider regarding pickup of Debtor's accounting records.	0.20 300.00/hr	60.00
10/10/2016	SSA	Drafted emails to Dwaine Butler and Doug Mittleider regarding pickup of records.	0.30 300.00/hr	90.00
10/13/2016	SSA	Drafted emails to Doug Mittleider regarding pickup of records from storage.	0.20 300.00/hr	60.00
10/14/2016	SSA	Reviewed and responded to emails from Doug Mittleider regarding turnover of records. Drafted email to Dwaine Butler regarding same.	0.40 300.00/hr	120.00
10/21/2016	SSA	Telephone call to Mike Bargar regarding transfer of records from Altacare to the Trustee. Drafted email to Dwaine Butler regarding same.	0.40 300.00/hr	120.00
Subtotal		38.50	11,550.00	

#### Asset Analysis & Recovery - Accounts Receivable

11/4/2015	JRJ	Discussed issues with Scott Askue regarding Medicaid receivables and setoffs for bed tax. Discussed whether Right of Setoff exists and possible recoveries.	0.40 300.00/hr	120.00
	SSA	Reviewed report of medicaid withholdings and bed tax owed. Prepared analysis of same. Met with Jim Jennings regarding same.	1.30 300.00/hr	390.00
11/5/2015	SSA	Telephone call from Mike Bargar regarding research on Wisconsin tax and Medicaid receivable claim. Reviewed case law on same. Prepared summary and estimates of penalties and interest.	2.30 300.00/hr	690.00
11/10/2015	JRJ	Met with Scott Askue to discuss cash and liquidity issues: open AR balances. Collections occurring between sale date and today, etc. Discussed background of owners.	0.20 300.00/hr	60.00

HP/Superior, Inc.		Page	4	
		Hrs/Rate	Amount	
11/17/2015	SSA	Compared monthly billing and collection ledgers to bank statements for post petition collections.	1.60 300.00/hr	480.00
12/4/2015	SSA	Reviewed medicaid issues relating to holdback and amounts owed.	0.60 300.00/hr	180.00
12/17/2015	SSA	Reviewed documents produced by Wisconsin relating to taxes owed and Medicaid holdback. Telephone call to Mike Bargar regarding same.	1.00 300.00/hr	300.00
12/21/2015	SSA	Telephone call from Mike Bargar regarding security interest in assets and calculation of interest and penalties on bed taxes and amounts owed by Wisconsin. Reviewed for additional information on same.	1.00 300.00/hr	300.00
12/22/2015	SSA	Reviewed emails and issues with setoff of Medicare claim. Drafted emails to Doug Mittleider regarding same.	0.50 300.00/hr	150.00
	SSA	Reviewed demand letter to the State of Wisconsin.	0.30 300.00/hr	90.00
1/4/2016	SSA	Reviewed file and drafted email to Mike Bargar regarding status of payment and response from the state of Wisconsin.	0.20 300.00/hr	60.00
1/7/2016	SSA	Reviewed and responded to email from Doug Mittleider regarding Medicare setoff.	0.20 300.00/hr	60.00
1/8/2016	SSA	Telephone call from Mike Bargar regarding resolution of Medicaid withholdings.	0.40 300.00/hr	120.00
1/12/2016	SSA	Drafted email to Doug Mittleider regarding outstanding accounts receivable.	0.20 300.00/hr	60.00
1/19/2016	SSA	Telephone call from Mike Bargar regarding escrow account allocation calculation and recovery from Wisconsin Medicaid.	0.30 300.00/hr	90.00
1/25/2016	SSA	Reviewed and responded to email regarding recovery from the State of Wisconsin. Prepared wire instructions and W-9 for same.	0.50 300.00/hr	150.00
1/29/2016	JRJ	Reviewed Cost Report prepared by Debtor for medicaid reimbursements during 1/1/15 - 6/30/15. Discussed briefly with Scott Askue.	0.80 300.00/hr	240.00
2/16/2016	SSA	Drafted letters to private pay former clients regarding payment of final invoices. Reviewed invoices to same.	1.40 300.00/hr	420.00
2/17/2016	SSA	Prepared analysis of open private pay invoices.	1.70 300.00/hr	510.00
	SSA	Prepared database for tracking payment of private pay invoices.	1.80 300.00/hr	540.00
	SSA	Prepared invoices to private pay customers and caregivers.	2.20 300.00/hr	660.00
	SSA	Researched for the status of distributions from Northern Bridges receivership.	0.30 300.00/hr	90.00
2/18/2016	SSA	Finalized private pay invoicing to residents.	1.50 300.00/hr	450.00
2/19/2016	SSA	Telephone call from Doug Mittleider regarding Medicare offset and balance owed and Northern Bridges receivable. Reviewed documents relating to same.	0.40 300.00/hr	120.00
2/24/2016	SSA	Downloaded and reviewed Medicaid receipts report from the State of Wisconsin. Telephone call from Mike Bargar regarding same.	1.00 300.00/hr	300.00
2/26/2016	SSA	Drafted email to Mike Bargar regarding receipt and application of funds from the state of Wisconsin.	0.20 300.00/hr	60.00
2/29/2016	SSA	Prepared accounts receivable tracking database for private pay clients with outstanding balances. Drafted notes and set up tracking of responses. Prepared responses as necessary.	3.20 300.00/hr	960.00
3/16/2016	SSA	Researched invoice sent to Louise McCaffrey. Telephone call to Deanna McCaffrey (POA) regarding same.	0.40 300.00/hr	120.00

HP/Superior, Inc.		Page	5
		Hrs/Rate	Amount
3/31/2016	SSA	Reviewed filed and drafted email to representative of former patient regarding outstanding invoice.	0.30 90.00 300.00/hr
4/28/2016	SSA	Reviewed recovery from the State of Wisconsin and recovery period for same.	0.60 180.00 300.00/hr
5/11/2016	SSA	Telephone call from representative of Gladys Winek estate regarding account balance owed to Debtor.	0.20 60.00 300.00/hr
5/13/2016	SSA	Reviewed letters from Medicare regarding reversed charges. Researched same.	0.80 240.00 300.00/hr
8/18/2016	SSA	Telephone call from Mike Bargar regarding liens on Medicaid receipts. Researched for information on same.	0.30 90.00 300.00/hr
Subtotal		28.10	8,430.00
<b><u>Employee Benefits / Pensions</u></b>			
4/15/2016	SSA	Telephone call to Rhiannon Jardine regarding 401(k) status and termination of same. Drafted summary email of same.	0.40 120.00 300.00/hr
	SSA	Telephone call to Rhiannon Jarden regarding termination of 401(k) plan. Drafted summary of issues.	0.60 180.00 300.00/hr
4/18/2016	SSA	Telephone call to SuperiorUSA Benefits regarding termination of 401(k) plan. Reviewed documents relating to same. Drafted email to Doug Mittleider regarding same.	1.10 330.00 300.00/hr
4/26/2016	SSA	Reviewed 401(k) restatement and plan termination documents. Drafted email to the Trustee regarding same.	0.80 240.00 300.00/hr
	SSA	Drafted email to Doug Mittleider regarding distribution from 401(k) plan.	0.20 60.00 300.00/hr
4/28/2016	SSA	Reviewed plan restatement documents and other documents from SuperiorUSA Benefits. Telephone call to Rhiannon Jardine regarding same. Telephone call to Mike Bargar regarding execution of documents. Drafted email to Doug Mittleider regarding same.	0.80 240.00 300.00/hr
4/29/2016	SSA	Reviewed documents and file. Drafted email to Doug Mittleider regarding restatement and termination of 401(k) plan.	0.50 150.00 300.00/hr
8/24/2017	SSA	Reviewed 401(k) plan wind down documents. Drafted email to Tina Dollins regarding same. Telephone call from Ms. Dollins regarding same. Drafted email to Doug Mittleider regarding same.	1.60 480.00 300.00/hr
10/10/2017	SSA	Drafted email to Doug Mittleider regarding 401(k) wind down and Form 5500. Telephone call from same.	0.30 90.00 300.00/hr
10/12/2017	SSA	Reviewed issues regarding the 401(k) termination and Forms 5500. Drafted email to Mike Bargar and SuperiorUSA Benefits regarding same.	0.40 120.00 300.00/hr
10/13/2017	SSA	Reviewed issues with the 5500s for the Debtor's 401(k) plan.	0.30 90.00 300.00/hr
10/16/2017	SSA	Reviewed 401(k) termination documents and contacted SuperiorUSA Benefits regarding same.	0.40 120.00 300.00/hr
Subtotal		7.40	2,220.00
<b><u>Financing</u></b>			
11/4/2015	SSA	Reviewed security documents between Debtor and CSE.	1.30 390.00 300.00/hr
12/7/2015	SSA	Prepared for and telephone call from Mike Bargar regarding issues with CSE mortgage and other case matters.	0.50 150.00 300.00/hr

HP/Superior, Inc.		Page	6
		Hrs/Rate	Amount
2/2/2016	SSA Telephone call from Mike Bargar regarding security interests in assets and resolution of same.	0.30 300.00/hr	90.00
4/29/2016	SSA Prepared report of funds received to date by the Trustee for settlement discussions with CSE Mortgage.	1.20 300.00/hr	360.00
	Telephone call from Mike Bargar regarding same.		
5/3/2016	SSA Telephone call from Mike Bargar regarding counter offer to CSE Mortgage.	0.30 300.00/hr	90.00
	SSA Reviewed email regarding settlement negotiations with CSE mortgage. Calculated settlement amounts.	0.30 300.00/hr	90.00
5/4/2016	SSA Reviewed offer and counter offer for settlement with CSE. Telephone call from Mike Bargar regarding same.	0.50 300.00/hr	150.00
5/23/2016	SSA Reviewed settlement agreement between Trustee, Superior Healthcare Trustee and CSE mortgage. Verified calculations.	1.90 300.00/hr	570.00
6/2/2016	SSA Verified settlement numbers and amendment to settlement agreement with CSE mortgage.	0.40 300.00/hr	120.00
6/17/2016	SSA Reviewed motion for authority to approve settlement with CSE Mortgage. Telephone call from Michael Bargar regarding same.	0.80 300.00/hr	240.00
7/12/2016	SSA Reviewed, verified and edited order approving settlement with CSE Mortgage. Telephone call from Mike Bargar regarding same. Drafted email to Mike Bargar regarding recoveries and bankruptcy estate.	1.20 300.00/hr	360.00
8/3/2016	SSA Reviewed motion and order approving settlement with CSE. Prepared settlement payment.	0.60 300.00/hr	180.00
	SSA Reviewed documents relating to secured claim of Omnicare. Calculated current balance owed based on same.	1.40 300.00/hr	420.00
9/12/2016	SSA Researched for and reviewed documents relating to settlement payments made by Debtor to Omnicare.	1.10 300.00/hr	330.00
	SSA Calculated principal and interest owed to Omnicare based on default lien. Telephone call to Mike Bargar regarding same.	1.30 300.00/hr	390.00
9/19/2016	SSA Reviewed, edited and verified calculations and claim amounts in settlement agreement with Omnicare.	0.40 300.00/hr	120.00
9/26/2016	SSA Reviewed settlement agreement with Omnicare to resolve secured claim. Verified numbers. Telephone call to Mike Bargar regarding same.	0.60 300.00/hr	180.00
9/28/2016	SSA Reviewed amendments to Omnicare Settlement Agreement. Drafted email to Mike Bargar regarding same.	0.40 300.00/hr	120.00
10/7/2016	SSA Reviewed motion to settle with Omnicare and notice of same. Drafted email to Mike Bargar regarding comments on same.	0.50 300.00/hr	150.00
11/1/2016	SSA Reviewed proofs of claim for secured interest in recoveries. Prepared analysis of same.	2.20 300.00/hr	660.00
11/3/2016	SSA Verified lien and claim amounts in proposed order approving settlement with Omnicare.	0.30 300.00/hr	90.00
	Subtotal	17.50	5,250.00

#### Litigation Consulting

11/4/2015	SSA Reviewed Salem Housing docket for resolution of claim with Debtor's principal and debtor.	0.70 300.00/hr	210.00
1/11/2016	SSA Updated report of potential preference targets from Debtor's schedules.	1.30 300.00/hr	390.00
4/18/2016	SSA Reviewed available documents for historical transactional information.	0.60 300.00/hr	180.00

**HP/Superior, Inc.**

Page 7

			<u>Hrs/Rate</u>	<u>Amount</u>
4/29/2016	SSA	Began review of preference period and post petition payments for avoidable transfers.	2.50 300.00/hr	750.00
5/4/2016	SSA	Reviewed pre-petition payments to insiders and began analysis of same.	1.80 300.00/hr	540.00
5/5/2016	SSA	Reviewed prepetition payable files of debtor. Began preparation of analyses of preference and avoidance action claims including payments and application to invoices.	6.20 300.00/hr	1,860.00
5/6/2016	SSA	Reviewed and scheduled 2014 transactions to insiders. Researched for nature of payments. Prepared avoidance action support reports.	5.30 300.00/hr	1,590.00
	SSA	Reviewed documents produced to CSE Mortgage for use in avoidance action claims.	1.20 300.00/hr	360.00
5/10/2016	SSA	Continued review of preference period and one year prior to bankruptcy transactions for avoidable transfers. Updated report and analysis of same.	5.70 300.00/hr	1,710.00
	SSA	Began review of post petition transactions for avoidable transfers.	2.20 300.00/hr	660.00
5/20/2016	SSA	Continued review of debtor's records relating to transfer to insiders and other parties. Prepared summary of same by claim type.	4.20 300.00/hr	1,260.00
	SSA	Telephone call to Mike Bargar and Michael Holbein regarding avoidance action claims, available information and required information for pursuit of same.	0.70 300.00/hr	210.00
5/23/2016	SSA	Reviewed available bank records. Prepared updated report for subpoena.	1.70 300.00/hr	510.00
6/2/2016	SSA	Drafted email to Doug Mittleider regarding document request in third-party litigation.	0.20 300.00/hr	60.00
6/15/2016	SSA	Drafted email to the Trustee regarding avoidance action claims and pursuit of same.	0.30 300.00/hr	90.00
8/9/2016	SSA	Formatted and restored produced data in the company payroll account. Reviewed 2013 transactions in the payroll account and updated report of potentially avoidable transfers.	3.20 300.00/hr	960.00
	SSA	Formatted and restored produced data in the company operating account. Reviewed 2013 and 2014 transactions in the payroll account and updated report of potentially avoidable transfers.	3.20 300.00/hr	960.00
	SSA	Formatted and restored produced data in the Superior Healthcare Investors bank account. Updated report of potentially avoidable transfers.	1.20 300.00/hr	360.00
8/10/2016	SSA	Updated and formatted reports of avoidable transfers to various parties.	2.30 300.00/hr	690.00
8/30/2016	SSA	Reviewed for additional bank accounts for debtor.	2.10 300.00/hr	630.00
	SSA	Researched for location of debtor's principal,	0.40 300.00/hr	120.00
9/1/2016	SSA	Reviewed document request to PNC and Fifth Third Bank. Drafted email regarding edits to same.	0.40 300.00/hr	120.00
9/8/2016	SSA	Reviewed bank records and compiled supporting documents for Chapter 5 causes of action.	4.30 300.00/hr	1,290.00
	SSA	Researched for additional documents relating to funds from PNC bank.	0.50 300.00/hr	150.00
	SSA	Continued compiling supporting documents for Chapter 5 claims.	1.80 300.00/hr	540.00
9/19/2016	SSA	Updated fraudulent conveyance analyses and compiled supporting documents for same.	5.30 300.00/hr	1,590.00
9/20/2016	SSA	Continued compiling supporting documents for avoidance action claims. Updated analysis as necessary.	3.50 300.00/hr	1,050.00

HP/Superior, Inc.		Page	8
		Hrs/Rate	Amount
9/21/2016	SSA Prepared summary report of avoidance claims.	2.50 300.00/hr	750.00
	SSA Formatted avoidance action reports and verified totals.	3.30 300.00/hr	990.00
9/27/2016	SSA Extracted data from Fifth Third Bank. Updated avoidance action claim with additional transactions.	2.40 300.00/hr	720.00
10/10/2016	SSA Reviewed document produced by Fifth Third Bank. Updated avoidance action claims with same.	2.90 300.00/hr	870.00
10/13/2016	SSA Updated reports of avoidable transfers. Drafted notes and comments on same. Continued compiling transaction exhibits in support of same. Drafted email to Mike Bargar regarding same.	6.30 300.00/hr	1,890.00
10/24/2016	SSA Prepared for and met with Mike Bargar and Mike Holbein regarding avoidance action claims.	5.30 300.00/hr	1,590.00
	SSA Telephone call from Dwaine Butler regarding documents needed for avoidance action claims.	0.20 300.00/hr	60.00
10/26/2016	SSA Finalized research, review and formatting of avoidance action claim reports.	4.80 300.00/hr	1,440.00
10/27/2016	SSA Researched for additional information regarding avoidance action payments.	0.50 300.00/hr	150.00
10/28/2016	SSA Prepared updated reports of payments to select vendors. Researched for additional information on same and relating to transactions.	3.10 300.00/hr	930.00
11/1/2016	SSA Reviewed Rule 2004 examination documents filed on the docket. Compared to complaints. Prepared supporting documents for pursuit of avoidance actions. Researched entity names. Reviewed and edited complaint form.	3.60 300.00/hr	1,080.00
11/2/2016	SSA Reviewed Debtor's records and online research regarding legal identity of defendants for complaints. Researched additional payments prior to filing.	2.20 300.00/hr	660.00
11/3/2016	SSA Researched payments to select defendants. Telephone call from Mike Bargar regarding same. Prepared supporting documents for avoidance action claims.	2.20 300.00/hr	660.00
1/30/2017	SSA Reviewed response from Evergreen. Researched invoices relating to same.	0.50 300.00/hr	150.00
5/2/2017	SSA Reviewed Defendant records for information relating to parties potentially possessing information. Telephone call from Mike Bargar regarding same.	0.50 300.00/hr	150.00
5/22/2017	SSA Reviewed payable files and electronic records for information regarding insolvency and prior financial information. Telephone conference with Mike Bargar, the Trustee and others regarding same.	2.30 300.00/hr	690.00
6/1/2017	SSA Researched for solvency experts for pending litigation.	0.50 300.00/hr	150.00
7/7/2017	SSA Reviewed available documents for discovery. Telephone call from Mike Bargar regarding same.	1.80 300.00/hr	540.00
8/11/2017	SSA Reviewed and verified response to interrogatories in the Evergreen Rehabilitation matter.	1.10 300.00/hr	330.00
9/21/2017	SSA Arranged for review of accounting records located at storage warehouse in conjunction with avoidance actions claims.	0.30 300.00/hr	90.00
9/25/2017	DAB Met with Robert Taylor at the document storage facility to access the accounting records. Prepared documents for review. Supervised review of documents. Reorganized documents and secured. Reviewed and responded to emails from Scott Askue regarding review and copy of documents. Discussed same with Mr. Taylor.	2.50 175.00/hr	437.50
10/16/2017	SSA Telephone call from Mike Bargar regarding mediation of claim. Reviewed analyses on same.	0.80 300.00/hr	240.00

**HP/Superior, Inc.**

Page 9

			<u>Hrs/Rate</u>	<u>Amount</u>
10/23/2017	SSA	Reviewed file and drafted email to Mike Bargar regarding document supporting avoidance action claims.	0.30 300.00/hr	90.00
10/30/2017	SSA	Reviewed and confirmed content of mediation statement. Telephone call to Mike Bargar regarding same.	1.60 300.00/hr	480.00
		Subtotal	114.30	33,977.50
<b><u>Meeting of Creditors</u></b>				
1/11/2016	SSA	Reviewed operating reports, payments to creditors, debtor schedules and other documents for preparation for 341 meeting of creditors.	1.30 300.00/hr	390.00
1/12/2016	SSA	Reviewed schedules and monthly operating reports. Reviewed questions for 341 meeting of creditors. Attended and participated in meeting of creditors.	3.00 300.00/hr	900.00
	SSA	Traveled to and from Richard Russell Federal Building for attendance and participation in 341 meeting of creditors. Travel billed at one-half rate.	0.80 150.00/hr	120.00
		Subtotal	5.10	1,410.00
<b><u>Tax Issues</u></b>				
11/30/2015	SSA	Reviewed Douglas County personal property tax bills paid at closing. Prepared analysis of same.	1.10 300.00/hr	330.00
1/12/2016	SSA	Reviewed claim filed by the IRS and other tax agencies. Drafted email to Jim Jennings regarding tax issues and expected receipts in 2016.	0.70 300.00/hr	210.00
1/26/2016	JRJ	Discussed status of case with Scott Askue regarding unfiled tax returns, payroll taxes due, State of Wisconsin Cost Report. Also briefly discussed same with Trustee Counsel and requested assistance with obtaining prior year Federal and state income tax returns.	0.50 300.00/hr	150.00
1/29/2016	JRJ	Researched timing of receipt of financial information, cost reports, Monthly Operating reports, receipt of funds from State of Wisconsin, last filed corporate tax return, etc.	0.50 300.00/hr	150.00
2/2/2016	SSA	Discussed tax returns and required documents with Jim Jennings.	0.30 300.00/hr	90.00
2/18/2016	SSA	Reviewed proof of claim filed by the IRS for information regarding past filing of corporate and other tax returns. Reviewed report from the State of Wisconsin regarding annual receipts and holdbacks.	1.20 300.00/hr	360.00
3/1/2016	SSA	Reviewed and responded to emails from Doug Mittleider regarding invoice for payment of W-2 production. Drafted email to Proliant regarding same.	0.20 300.00/hr	60.00
	JRJ	Researched Federal ID number of HP Superior, and prepared Federal corporate tax extension for year ended 12/31/2015. Created and enabled Federal electronic extension. Electronically filed extension.	1.00 300.00/hr	300.00
3/18/2016	SSA	Reviewed 2014 tax return file by HP Superior.	0.30 300.00/hr	90.00
3/20/2016	JRJ	Reviewed HP Superior, Inc. 2014 corporate return recently filed and commented. Brief discussion with Scott Askue regarding same.	1.00 300.00/hr	300.00
4/5/2016	JRJ	Telephone conversation with Trustee counsel regarding State of Wisconsin amount withheld for bed tax. Reviewed schedule sent by counsel of amount subject to tax and commented.	0.90 300.00/hr	270.00

HP/Superior, Inc.		Page	10	
		Hrs/Rate	Amount	
5/2/2016	SSA	Drafted email to Doug Mittleider regarding 2015 financials for 2015 tax return.	0.20 300.00/hr	60.00
6/14/2016	SSA	Compiled 2015 financial information for preparation of the 2015 tax returns.	2.60 300.00/hr	780.00
6/15/2016	SSA	Drafted email to Jim Jennings regarding available 2015 financial data for preparation of 2015 tax returns. Assessed available information.	0.50 300.00/hr	150.00
6/28/2016	JRJ	Set up file of Ch. 11 Monthly Operating Reports for December, 2014-July, 2015. Began review of reports pursuant to preparing adjusting trial balance.	0.10 300.00/hr	30.00
	JRJ	Set up file of Ch. 11 Monthly Operating Reports for December, 2014-July, 2015. Began review of reports pursuant to preparing adjusting trial balance.	1.30 300.00/hr	390.00
	JRJ	Reviewed 2014 Federal corporate income tax return prepared by Debtor.	0.90 300.00/hr	270.00
	JRJ	Reviewed banking activity for August 2015-January 2016 from statements provided for all operating accounts for preparation of tax returns.	1.30 300.00/hr	390.00
6/29/2016	JRJ	Continued review of banking activity for August 2015-January 2016 from statements provided for all operating accounts. Had brief discussion with Scott Askue regarding same.	1.80 300.00/hr	540.00
	SSA	Drafted email to Doug Mittleider regarding state tax returns.	0.20 300.00/hr	60.00
6/30/2016	JRJ	Set up adjusting trial balance with 12/31/14 opening balances from 12/31/14 tax return.	1.80 300.00/hr	540.00
	JRJ	Accounted for January-March, 2015 cash activity (journalized) from monthly Operating reports.	1.80 300.00/hr	540.00
7/5/2016	JRJ	Accounted for April-June, 2015 cash activity (journalized) from monthly Operating reports.	2.30 300.00/hr	690.00
	JRJ	Accounted for July, 2015 cash activity (journalized) from Monthly Operating reports.	1.20 300.00/hr	360.00
	JRJ	Reviewed August, 2015 bank activity account 1029 (exclusive of Monthly Operating Report). Reviewed receipts detail per bank statement and researched. Discussed AR detail with Scott Askue. Discussed inter-bank transfers.	1.20 300.00/hr	360.00
7/6/2016	JRJ	Reviewed September-December 2015 bank activity account 1029 (exclusive of Monthly Operating Report). Reviewed receipts detail per bank statement and researched. Discussed AR detail with Scott Askue. Discussed inter-bank transfers. Set up cash journal.	1.60 300.00/hr	480.00
	JRJ	Reviewed September-December 2015 bank activity account 1096 (exclusive of Monthly Operating Report). Reviewed receipts detail per bank statement and researched. Discussed AR detail with Scott Askue. Discussed inter-bank transfers. Set up cash journal.	1.00 300.00/hr	300.00
	JRJ	Reviewed September-December 2015 bank activity account 4290 (exclusive of Monthly Operating Report). Reviewed receipts detail per bank statement and researched. Discussed AR detail with Scott Askue. Discussed inter-bank transfers. Set up cash journal.	2.10 300.00/hr	630.00
	JRJ	Reviewed September-December 2015 bank activity account 4308 (exclusive of Monthly Operating Report). Reviewed receipts detail per bank statement and researched. Discussed AR detail with Scott Askue. Discussed inter-bank transfers. Set up cash journal.	1.00 300.00/hr	300.00

HP/Superior, Inc.

Page 11

			<u>Hrs/Rate</u>	<u>Amount</u>
7/6/2016	JRJ	Reviewed September-December 2015 bank activity account 4885 (exclusive of Monthly Operating Report). Reviewed receipts detail per bank statement and researched. Discussed AR detail with Scott Askue. Discussed inter-bank transfers. Set up cash journal.	1.00 300.00/hr	300.00
7/8/2016	JRJ	Prepared analysis and reconciliation of all inter-bank transfers. Prepared list of unreconciled transfers to acct 1037 totaling \$87,302 (5 wires). Reviewed last Monthly Operating Reports prepared for Superior Healthcare, Inc. and located one reconciling payment. Requested September 2015 bank statement of Superior Healthcare Investors, Inc. acct 2463 from Scott Askue. Updated cash ledgers and inter-bank transfer schedules.	2.90 300.00/hr	870.00
	JRJ	Prepared consolidated bank reconciliation at 12/31/15 of all 6 bank accounts of HP Superior, Inc. Prepared consolidated proof of cash for 2015.	2.00 300.00/hr	600.00
	SSA	Drafted email to Cathy Scarver regarding Superior Healthcare Investors bank records needed for 2015 tax return. Discussed 2015 estate receipts with Jim Jennings.	0.40 300.00/hr	120.00
7/11/2016	JRJ	Continued work on consolidated proof of cash. Prepared analysis of missing deposits in transit and outstanding checks.	1.00 300.00/hr	300.00
	JRJ	Began analysis of accounts receivable at 12/31/15, utilizing aging reports, cash activity. Prepared proof and prepared journal entries.	1.50 300.00/hr	450.00
	JRJ	Began analysis of post petition accounts payable at 12/31/15, utilizing aging reports, cash activity.	1.00 300.00/hr	300.00
7/13/2016	JRJ	Recorded journal entries and prepared preliminary trial balance for year ended 12/31/2015.	2.10 300.00/hr	630.00
7/14/2016	JRJ	Prepared reconciliation of accounts receivable and accounts receivable roll forward and proof. Prepared adjusting journal entry.	1.00 300.00/hr	300.00
	JRJ	Prepared reconciliation of accounts payable and accounts payable roll forward and proof. Prepared adjusting journal entry.	1.50 300.00/hr	450.00
7/15/2016	JRJ	Reviewed 12/31/14 fixed asset detail and accounted for fixed assets to be sold per terms of APA. Added all depreciable fixed assets to tax module and set up for depreciation through June 30, 2015 sale date.	2.10 300.00/hr	630.00
7/18/2016	JRJ	Reviewed Asset Purchase Agreement for sale of HP Superior, Inc. assets (June 30, 2015). Reviewed allocation of proceeds, net of allocated closing costs, between HP Superior, Inc. and related party Superior Health Investors, Inc. Identified excluded assets.	1.80 300.00/hr	540.00
	JRJ	Prepared schedule of tax basis in fixed assets (personal and real property improvements). Calculated net tax basis. Calculated tax loss from sale using allocated net proceeds provided by allocation schedules between HP Superior, Inc. and Superior Health Investors, Inc.	1.50 300.00/hr	450.00
7/19/2016	JRJ	Continued work on reconciling and cleaning up balance sheet accounts of HP Superior, Inc. for year ended 12/31/2015.	1.50 300.00/hr	450.00
	JRJ	Prepared additional adjusting journal entries and prepared taxable income (loss) summary for year ended 12/31/15. Continued work on balance sheet write offs.	1.50 300.00/hr	450.00
7/20/2016	JRJ	Continued work on draft of year ended 12/31/2015 Federal corporate income tax return. Began preparation of list of open issues/requests to be addressed.	1.90 300.00/hr	570.00
7/21/2016	JRJ	Continued work on draft of year ended 12/31/2015 Federal corporate income tax return.	2.10 300.00/hr	630.00

HP/Superior, Inc.		Page	12	
		Hrs/Rate	Amount	
7/21/2016	SSA	Prepared form 2 for year 2015 and 2016 for preparation of tax return.	0.40 300.00/hr	120.00
7/27/2016	JRJ	Continued work on preparation of year ended 12/31/15 corporate income tax return; prepared schedule M-3 and also informational schedules/forms.	2.50 300.00/hr	750.00
7/29/2016	JRJ	Continued work on draft of 12/31/2015 corporate income tax return. Prepared working paper file and list of questions and requests to submit to Doug Mittleider.	2.10 300.00/hr	630.00
8/1/2016	JRJ	Finalized draft of 12/31/2015 corporate income tax return. Revised sale transaction reporting to incorporate final settlement.	2.30 300.00/hr	690.00
	JRJ	Set up Federal draft for e-filing. Cleared all diagnostics. Prepared revised open issues list.	1.90 300.00/hr	570.00
8/5/2016	JRJ	Verified numbers and all soft information on draft return (Federal only). Prepared revised open list.	1.90 300.00/hr	570.00
8/9/2016	JRJ	Received HP Investors, Inc. bank statements and traced missing wires in to amounts wire out (several transactions). Updated missing items list.	1.00 300.00/hr	300.00
9/1/2016	SSA	Reviewed 2015 tax returns. Drafted email to Doug Mittleider regarding issues and documents needed to complete the 2015 tax return.	0.80 300.00/hr	240.00
9/2/2016	JRJ	Reviewed 2014 corporate state income tax returns submitted by Debtor.	0.50 300.00/hr	150.00
9/7/2016	JRJ	Prepared draft of Wisconsin corporate return for year ended 12/31/2015. Prepared apportionment schedules and forms.	1.90 300.00/hr	570.00
	JRJ	Prepared draft of Georgia corporate return for year ended 12/31/2015. Prepared apportionment schedules and forms.	1.90 300.00/hr	570.00
	JRJ	Continued preparation of draft of Georgia corporate return for year ended 12/31/2015. Prepared apportionment schedules and forms.	0.30 300.00/hr	90.00
	JRJ	Set up e-files for Georgia and Wisconsin 2015 corporate tax returns. Cleared e-file reject errors.	1.40 300.00/hr	420.00
	JRJ	Reviewed and added Wisconsin net operating loss schedule to 2015 return for NOLs from 2006-2014.	0.80 300.00/hr	240.00
9/12/2016	JRJ	Processed Federal, Georgia, and Wisconsin 2015 corporate returns for trustee signature. Submitted to Scott Askue for comment.	1.00 300.00/hr	300.00
	SSA	Drafted email to Doug Mittleider regarding status of documents for the 2015 tax return.	0.20 300.00/hr	60.00
12/2/2016	JRJ	Researched and responded to IRS Notice for Form 940 assessments for year ended 12/31/2014.	1.00 300.00/hr	300.00
12/5/2016	SSA	Reviewed and edited letter and notice from the IRS regarding unemployment tax.	0.40 300.00/hr	120.00
2/16/2017	SSA	Prepared account ledger for 2016 tax return.	0.20 300.00/hr	60.00
2/25/2017	JRJ	Prepared and filed 2016 Federal Corporate extension for HP Superior, Inc.	0.50 300.00/hr	150.00
3/3/2017	SSA	Reviewed status of corporation with the State of Georgia. Drafted email to Jim Jennings regarding renewal of same.	0.30 300.00/hr	90.00
3/16/2017	JRJ	Reinstated HP Superior with Georgia Secretary of State. Brought current registration and changed all officers of corporation and registered agent.	0.80 300.00/hr	240.00
3/20/2017	JRJ	Prepared affidavit to GA SOS for Trustee to sign, pursuant to resolving reinstatement rejection notification.	0.80 300.00/hr	240.00
4/24/2017	JRJ	Reviewed prior year (2015) file and set up 2016 adjusting trial balance template for use in preparing 2016 corporate returns.	1.50 300.00/hr	450.00

HP/Superior, Inc.

Page 13

			<u>Hrs/Rate</u>	<u>Amount</u>
4/24/2017	SSA	Prepared 2016 account ledger and accompanying documents for preparation of 2016 tax return.	0.50 300.00/hr	150.00
	JRJ	Reviewed Form 2 activity for HP Superior, Inc. and read and analyzed two motions and orders allowing for the payments of large settlements to CSE Mortgage and Badger Acquisition dba Omnicare. Reviewed all pertinent data.	1.90 300.00/hr	570.00
	JRJ	Prepared journal entries and preliminary trial balance for HP Superior, Inc. for the year ended 12/31/16.	2.10 300.00/hr	630.00
4/26/2017	JRJ	Discussed settlements in 2016 with Scott Askue after reading settlement motions and approved orders for CSE Mortgage and Badger Acquisitions, LLC. Revised financials after making two additional adjusting journals entries.	1.00 300.00/hr	300.00
	JRJ	Began preparation of drafts of Federal and Georgia 2016 corporate income tax returns.	1.50 300.00/hr	450.00
4/28/2017	JRJ	Continued preparation of drafts of Federal and Georgia 2016 corporate income tax returns.	3.90 300.00/hr	1,170.00
	JRJ	Prepared drafts of Wisconsin 2016 corporate income tax return.	1.40 300.00/hr	420.00
5/1/2017	JRJ	Finalized drafts of Federal, GA, and WI 2016 corporate income tax return. Cleared e-file diagnostics.	1.50 300.00/hr	450.00
5/5/2017	JRJ	Prepared Rule 505(b) Requests for Prompt Determination for Federal and Georgia corporate income tax returns for year ended 12/31/2016.	1.00 300.00/hr	300.00
	JRJ	Finalized returns after Scott Askue comments and processed for Trustee signature.	1.00 300.00/hr	300.00
5/17/2017	JRJ	Cleared final Federal e-file diagnostics and enabled Federal, Georgia, and Wisconsin corporate returns for e-filing. E-filed 2016 corporate tax returns.	0.90 300.00/hr	270.00
5/18/2017	JRJ	Processed 505(b) letters for year ended 12/31/15.	0.90 300.00/hr	270.00
7/6/2017	JRJ	Read IRS correspondence regarding 505(b) request. Filed in 2016 tax file.	0.10 300.00/hr	30.00
		Subtotal	<hr/> 101.50	<hr/> 30,450.00
		For professional services rendered	<hr/> 312.40	<hr/> \$93,287.50

**Exhibit “C” Follows**

2964 Peachtree Road  
Suite 555  
Atlanta, GA 30305-2153

---



---

**HP/Superior, Inc.**  
Case # 14-71797-pwb

**For the Period from 11/4/2015 to 10/31/2017**

November 10, 2017

	<u>Amount</u>
<b>Expenses</b>	
11/16/2015 Expense Report - Dwaine Butler week ended 11/16/15 - Record pickup. Mileage: \$30.71	30.71
11/30/2015 Postage charges through 11/30/15 Copying cost for period ended 11/30/15	3.88 13.80
1/31/2016 Pacer on-line charges	14.00
2/29/2016 Postage 341 meeting 1/13/16 Mileage: 9.72 Parking: 5.00 Copying cost	35.81 14.72 21.75
5/31/2016 Postage 7/8/2016 Tax software charge-2015	0.47 35.00
8/3/2016 FedEx	15.69
8/31/2016 Postage	2.70
9/30/2016 Copying cost	75.15
10/31/2016 Postage Photocopies Document storage - 1 Pallet of Records	2.04 13.35 15.00
11/30/2016 Document storage - 1 Pallet of Records Copying cost	15.00 0.90
12/1/2016 FedEx	15.65
12/31/2016 Document storage - 1 Pallet of Records	15.00
1/31/2017 Document storage - 1 Pallet of Records	15.00
2/28/2017 Document storage - 1 Pallet of Records	15.00
3/17/2017 Secretary of State registration fee	250.00
3/31/2017 Document storage - 1 Pallet of Records	15.00
4/19/2017 Licensing fee - Secretary of State reinstatement fee	100.00
4/30/2017 Document storage - 1 Pallet of Records	15.00
5/8/2017 Georgia PV Corp - 2016	10.00
5/31/2017 Copying cost Document storage - 1 Pallet of Records Postage	36.30 15.00 5.97
6/30/2017 Document storage - 1 Pallet of Records	15.00
7/31/2017 Document storage - 1 Pallet of Records	15.00
8/31/2017 Document storage - 1 Pallet of Records Form 1120 tax software charge year 2016	15.00 35.00
9/30/2017 Document storage - 1 Pallet of Records	15.00
10/31/2017 Document storage - 1 Pallet of Records	15.00
Subtotal	<hr/> 927.89
<b>Total costs</b>	<hr/> \$927.89

**Exhibit “D” Follows**

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

IN RE: : CHAPTER 7  
HP/SUPERIOR, INC. : CASE NO. 14-71797 - PWB  
Debtor. :  
:

**AFFIDAVIT**

**STATE OF GEORGIA  
COUNTY OF FULTON**

Before me, the undersigned attesting officer duly authorized to administer oaths, personally appeared S. Gregory Hays, who after being duly sworn, deposes and says:

1. I am a Managing Principal at Hays Financial Consulting, LLC ("HFC") and have knowledge of the facts set forth herein.

2. The facts set out in the foregoing First Interim Application of Hays Financial Consulting, LLC for Allowance of Compensation and Reimbursement of Expenses as Accountants for the Chapter 7 Trustee and in the exhibits attached thereto are true and correct to the best of my knowledge, information and belief. Those facts are known to me personally and by business records of HFC, maintained in the ordinary course of business, including time and reimbursement records made by personnel at HFC.

\_\_\_\_\_  
/s\_\_\_\_\_  
S. Gregory Hays  
Sworn to and subscribed before me  
this 10th day of November, 2017.

\_\_\_\_\_  
/s\_\_\_\_\_  
Notary Public

## CERTIFICATE OF SERVICE

This is to certify that on November 10, 2017, the undersigned caused to be served a true and correct copy of the forgoing **FIRST INTERIM APPLICATION OF HAYS FINANCIAL CONSULTING, LLC FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES AS ACCOUNTANTS FOR THE CHAPTER 7 TRUSTEE** by depositing copies of same into the United States mail on the date set forth above, with adequate postage affixed thereto to assure delivery by regular first class mail to the following entities at the addresses stated:

David S. Weidenbaum  
Office of the United States Trustee  
362 Richard B. Russell Federal Building  
75 Ted Turner Drive, SW  
Atlanta, GA 30303

S. Gregory Hays  
Hays Financial Consulting, LLC  
2964 Peachtree Rd, NW, Suite 555  
Atlanta, GA 30305

Cathy L. Scarver  
P. O. Box 672587  
Marietta, GA 30006

Ashley Reynolds Ray  
Scroggins & Williamson  
1500 Candler Building  
127 Peachtree Street, NE  
Atlanta, GA 30303

HP/Superior, Inc.  
5174 McGinnis Ferry Road  
Suite 195  
Alpharetta, GA 30005

Kevin A. Stine  
Baker Donelson Bearman  
Monarch Plaza, Suite 1600  
3414 Peachtree Road, NE  
Atlanta, GA 30326

Internal Revenue Service  
Insolvency Unit  
401 West Peachtree Street  
Stop 335-D  
Atlanta, GA 30308

Department of Justice - Tax Division  
Attn: Chief, Civil Trial Section  
Southern Region  
P.O. Box 14198  
Ben Franklin Station  
Washington, D.C. 20044

United States Attorney General  
Main Justice Building  
10th and Constitution Avenue, NW  
Washington, D.C. 20530

U.S. Attorney  
Northern District of Georgia  
Civil Division, Attn: Civil Clerk  
600 Richard B. Russell Building  
75 Ted Turner Drive, S.W.  
Atlanta, GA 30303

Lisa Johnson  
Bankruptcy Specialist  
Internal Revenue Service  
401 W Peachtree ST, NW  
M/S 334-D  
Atlanta, GA 30308

Internal Revenue Service  
P.O. Box 7346  
Philadelphia, PA 19101-7346

F. Mark Bromley  
Wisconsin Dept. of Justice  
17 West Main Street  
P. O. Box 7857  
Madison, WI 53707-7857

Wisconsin Department of Revenue  
Special Procedures Unit  
PO Box 8901  
Madison, WI 53708-8901

Hiram Cutting  
Wisconsin Department of Revenue  
Special Procedures Unit  
PO Box 8901  
Madison, WI 53708-8901

The Stark Collection Agency Inc.  
PO Box 45710  
Madison, WI 53744-5710

State of Wisconsin, DWD – UI  
PO Box 8914  
Madison, WI 53708

Ariane Daniels  
State of Wisconsin, DWD – UI  
PO Box 8914  
Madison, WI 53708

This 10<sup>th</sup> day of November, 2017

Badger Acquisition of Minnesota  
d/b/a Omnicare of Minnesota  
900 Omnicare Center  
201 East Fourth Street  
Cincinnati, OH 45202

JoAnn Billman  
Omnicare, Inc.  
900 Omnicare Center  
201 East Fourth Street  
Cincinnati, OH 45202

Lauren M. Gregory  
Seyfarth Shaw LLP  
1075 Peachtree Street, NE, Suite 2500  
Atlanta, GA 30309

By: /s  
S. Gregory Hays